

September 21, 1998

The Honorable Alphonse D'Amato  
United States Senate  
Washington DC 20510

Dear Senator D'Amato:

The undersigned organizations are writing to urge your opposition to efforts to schedule time on the Senate floor for HR 10, the "financial modernization" bill reported out by the Senate Banking Committee on September 11. In its present form, HR 10 promotes the formation of giant financial conglomerates, but contains virtually nothing to safeguard access to fundamental banking services for consumers and communities. In fact, this bill is totally opposed by virtually every community leader working to revitalize inner city neighborhoods and rural communities.

HR 10 undermines the effectiveness of the Community Reinvestment Act (CRA), the 1977 law that has served as the primary tool for directing much needed small business, small farm, and affordable housing credit into previously underserved urban and rural communities. The bill passed by the Committee makes it easier for banks to shift their assets to insurance, securities, and other affiliates not covered by the CRA. As a result, banks and thrifts will have fewer resources to lend to underserved geographies.

The Committee took a bad bill and made it worse. It deleted a requirement that banks affiliated with securities firms or insurance companies offer "lifeline" or low-cost checking accounts to low-income customers. The Committee bill also weakens extremely modest CRA provisions that were in the House-passed version of the bill, limiting the extent to which CRA would apply to new, uninsured banks created by the bill, and eliminating enforcement provisions for institutions that fail to sustain an adequate record of serving their local communities.

In short, HR 10 does nothing to modernize the laws that protect the vast majority of consumers and communities that are the most vulnerable to the disinvestment forces that the bill promises to unleash. By promoting the concentration of economic power, this bill will hurt your constituents.

The 809 community organizations signing this letter urge you to voice your opposition to this bill, ask the Senate leadership not to schedule floor time for this harmful legislation, and urge you to work with us to defeat any further consideration of HR 10.

## WYOMING

The Honorable Trudy McCracken, Mayor,

## NATIONAL

AFL - CIO Housing Investment Trust  
Alliance to End Childhood Lead Poisoning  
American Planning Association  
Center for Community Change  
Center for Policy Alternatives  
Consumer Federation of America  
Corporation for Enterprise Development  
Hispanic Association on for Corporate Responsibility (HACR)  
Housing Assistance Council  
International Brotherhood of Teamsters  
International Union of Automobile, Aerospace, and Agriculture Implement Workers / UAW  
Lawyer's Committee for Civil Rights  
Local Initiatives Support Corporation  
NAACP  
Ralph Nader  
NAHRO  
National Alliance to End Homelessness  
National American Indian Housing Council  
National Association of Affordable Housing Lenders  
National Association of Community Action Agencies  
National Black Chamber of Commerce  
National Coalition for the Homeless  
National Community Action Agencies

National Community Reinvestment Coalition  
National Congress for Community Economic Development  
National Council of La Raza  
National Council of State Housing Agencies  
National Fair Housing Alliance  
National Housing Trust  
National League of Cities  
National Low Income Housing Coalition  
National Neighborhood Coalition  
National Neighbors, Inc.  
National Organization for Women  
National People's Action  
National Puerto Rican Coalition  
National Trust for Historic Preservation  
Neighborhood Reinvestment Corporation  
NETWORK: A National Catholic Social Justice Lobby  
Rural Housing Coalition  
Surface Transportation Policy Project  
The Enterprise Foundation  
The National Congress of Black Churches  
U.S. Catholic Conference  
U.S. Conference of Mayors  
UNITE